

Dan Musser III, President
Grand Hotel, Mackinac Island
Testimony to Tourism, Outdoor Recreation and Natural Resources Committee
Regarding Senate Bill 1204

Dear Chairman Sheltroun and Committee Members:

My name is Dan Musser and I am President of Grand Hotel on Mackinac Island. I appreciate the opportunity to testify today in support of Senate Bill 1204 that is before you. I am the third generation of my family to own and operate Grand Hotel. On behalf of my family, we agree that it is time to eliminate the special charter exemption given Mackinac Island that allows hotels to not charge a bed tax. We base this opinion on the fact that the number of visitors to Mackinac Island has steadily decreased since peaking in 1998. In 2009, there were 33 % less visitors, which is nearly 300,000 less people than 11 years ago. In the last five years, visitors to the island have dropped more than 10 %.

Thankfully, our numbers at Grand Hotel have not been quite as significant, however, they are certainly headed in the wrong direction.

At the time the exemption was granted, visitorship to the island was strong and growing. The Michigan economy as well as the Great Lakes economy was thriving, and marketing Mackinac Island with such a short season and popular reputation was not necessary. Today's traveler has many more choices. These travel options have aggressive marketing campaigns, both in traditional and online media. The travel marketplace is more competitive now than it has ever been, and research shows that travelers wait longer to make their plans. This, along with a struggling Michigan economy that has traditionally supplied the majority of the visitors to Mackinac, make it necessary for Mackinac Island to market itself to the Great Lakes region.

Thank you for the opportunity to present to you today. I am hopeful you will support Senate Bill 1204 as proposed. If you have any questions, I would be happy to answer them at this time.